

Introduced by Senator Steinberg

February 8, 2008

An act to amend Section 15432 of the Government Code, and to add Section 4688.6 to the Welfare and Institutions Code, relating to regional center housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1175, as introduced, Steinberg. Developmental services: regional center housing.

Under existing law, the State Department of Developmental Services contracts with private nonprofit regional centers to provide services and supports to persons with developmental disabilities.

Existing law permits the department to approve proposals from specified regional centers to provide for, secure, and ensure the payment of a lease or leases on housing for persons with developmental disabilities, if specified requirements are met.

This bill would permit the department to approve proposals for housing under these requirements from any regional center.

Under the California Health Facilities Financing Authority Act, the California Health Facilities Financing Authority administers various provisions relating to the financing of health facility projects, including construction and renovation projects. Existing law includes within the definition of a health facility, for purposes of the act, a residential facility which is defined to include nonprofit accredited work activity programs. These programs provide specified services to persons with developmental disabilities.

This bill would, in addition, include within the definition of a residential facility, for purposes of the California Health Facilities Financing Authority Act, a residential facility for persons with

developmental disabilities, as provided for under the provisions permitting proposals for housing for these persons to be approved by the department.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 15432 of the Government Code is
2 amended to read:
3 15432. As used in this part, the following words and terms
4 shall have the following meanings, unless the context clearly
5 indicates or requires another or different meaning or intent:
6 (a) “Act” means the California Health Facilities Financing
7 Authority Act.
8 (b) “Authority” means the California Health Facilities Financing
9 Authority created by this part or any board, body, commission,
10 department, or officer succeeding to the principal functions thereof
11 or to which the powers conferred upon the authority by this part
12 shall be given by law.
13 (c) “Cost,” as applied to a project or portion of a project financed
14 under this part, means and includes all or any part of the cost of
15 construction and acquisition of all lands, structures, real or personal
16 property, rights, rights-of-way, franchises, easements, and interests
17 acquired or used for a project, the cost of demolishing or removing
18 any buildings or structures on land so acquired, including the cost
19 of acquiring any lands to which those buildings or structures may
20 be moved, the cost of all machinery and equipment, financing
21 charges, interest prior to, during, and for a period not to exceed
22 the later of one year or one year following completion of
23 construction, as determined by the authority, the cost of insurance
24 during construction, the cost of funding or financing noncapital
25 expenses, reserves for principal and interest and for extensions,
26 enlargements, additions, replacements, renovations and
27 improvements, the cost of engineering, service contracts,
28 reasonable financial and legal services, plans, specifications,
29 studies, surveys, estimates, administrative expenses, and other
30 expenses of funding or financing, that are necessary or incident to
31 determining the feasibility of constructing any project, or that are
32 incident to the construction, acquisition, or financing of any project.

(d) “Health facility” means any facility, place, or building that is licensed, accredited, or certified and organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, or physical, mental, or developmental disability, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, and includes, but is not limited to, all of the following types:

(1) A general acute care hospital that is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care, including the following basic services: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services.

(2) An acute psychiatric hospital that is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care for mentally disordered, incompetent, or other patients referred to in Division 5 (commencing with Section 5000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code, including the following basic services: medical, nursing, rehabilitative, pharmacy, and dietary services.

(3) A skilled nursing facility that is a health facility that provides the following basic services: skilled nursing care and supportive care to patients whose primary need is for availability or skilled nursing care on an extended basis.

(4) An intermediate care facility that is a health facility that provides the following basic services: inpatient care to ambulatory or semiambulatory patients who have recurring need for skilled nursing supervision and need supportive care, but who do not require availability or continuous skilled nursing care.

(5) A special health care facility that is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical or dental staff that provides inpatient or outpatient, acute or nonacute care, including, but not limited to, medical, nursing, rehabilitation, dental, or maternity.

(6) A clinic that is operated by a tax-exempt nonprofit corporation that is licensed pursuant to Section 1204 or 1204.1 of

1 the Health and Safety Code or a clinic exempt from licensure
2 pursuant to subdivision (b) or (c) of Section 1206 of the Health
3 and Safety Code.

4 (7) An adult day health center that is a facility, as defined under
5 subdivision (b) of Section 1570.7 of the Health and Safety Code,
6 that provides adult day health care, as defined under subdivision
7 (a) of Section 1570.7 of the Health and Safety Code.

8 (8) Any facility owned or operated by a local jurisdiction for
9 the provision of county health services.

10 (9) A multilevel facility is an institutional arrangement where
11 a residential facility for the elderly is operated as a part of, or in
12 conjunction with, an intermediate care facility, a skilled nursing
13 facility, or a general acute care hospital. "Elderly," for the purposes
14 of this paragraph, means a person 62 years of age or older.

15 (10) A child day care facility operated in conjunction with a
16 health facility. A child day care facility is a facility, as defined in
17 Section 1596.750 of the Health and Safety Code. For purposes of
18 this paragraph, "child" means a minor from birth to 18 years of
19 age.

20 (11) An intermediate care facility/developmentally disabled
21 habilitative that is a health facility, as defined under subdivision
22 (e) of Section 1250 of the Health and Safety Code.

23 (12) An intermediate care facility/developmentally
24 disabled-nursing that is a health facility, as defined under
25 subdivision (h) of Section 1250 of the Health and Safety Code.

26 (13) A community care facility that is a facility, as defined under
27 subdivision (a) of Section 1502 of the Health and Safety Code,
28 that provides care, habilitation, rehabilitation, or treatment services
29 to developmentally disabled or mentally impaired persons.

30 (14) A nonprofit community care facility, as defined in
31 subdivision (a) of Section 1502 of the Health and Safety Code,
32 other than a facility that, as defined in that subdivision, is a
33 residential facility for the elderly, a foster family agency, a foster
34 family home, a full service adoption agency, or a noncustodial
35 adoption agency.

36 (15) A nonprofit accredited community work-activity program,
37 as specified in subdivision (e) of Section 4851 and Section 4856
38 of the Welfare and Institutions Code.

1 (16) A community mental health center, as defined in paragraph
2 (3) of subdivision (b) of Section 5667 of the Welfare and
3 Institutions Code.

4 (17) A nonprofit speech and hearing center, as defined in Section
5 1201.5 of the Health and Safety Code.

6 (18) A blood bank, as defined in Section 1600.2 of the Health
7 and Safety Code, licensed pursuant to Section 1602.5 of the Health
8 and Safety Code, and exempt from federal income taxation
9 pursuant to Section 501(c)(3) of the Internal Revenue Code.

10 (19) *A residential facility for persons with developmental*
11 *disabilities, as defined in Sections 4688.5 and 4688.6 of the Welfare*
12 *and Institutions Code, which includes, but is not limited to, a*
13 *community care facility licensed pursuant to Section 1502 of the*
14 *Health and Safety Code, a family teaching home as defined in*
15 *Section 4689.1 of the Welfare and Institutions Code, and an adult*
16 *residential facility for persons with special health care needs as*
17 *defined in Section 1567.50 of the Health and Safety Code.*

18 “Health facility” includes a clinic that is described in subdivision
19 (I) of Section 1206 of the Health and Safety Code.

20 “Health facility” includes the following facilities, if the facility
21 is operated in conjunction with one or more of the facilities
22 specified in paragraphs (1) to ~~(18)~~ (19), inclusive, of this
23 subdivision: a laboratory, laundry, or nurses or interns residence,
24 housing for staff or employees and their families or patients or
25 relatives of patients, a physicians’ facility, an administration
26 building, a research facility, a maintenance, storage, or utility
27 facility, all structures or facilities related to any of the foregoing
28 facilities or required or useful for the operation of a health facility
29 and the necessary and usual attendant and related facilities and
30 equipment, and parking and supportive service facilities or
31 structures required or useful for the orderly conduct of the health
32 facility.

33 “Health facility” does not include any institution, place, or
34 building used or to be used primarily for sectarian instruction or
35 study or as a place for devotional activities or religious worship.

36 (e) “Participating health institution” means a city, city and
37 county, or county, a district hospital, or a private nonprofit
38 corporation or association authorized by the laws of this state to
39 provide or operate a health facility and that, pursuant to the
40 provisions of this part, undertakes the financing or refinancing of

1 the construction or acquisition of a project or of working capital
2 as provided in this part. “Participating health institution” also
3 includes, for purposes of the California Health Facilities Revenue
4 Bonds (UCSF-Stanford Health Care) 1998 Series A, the Regents
5 of the University of California.

6 (f) “Project” means construction, expansion, remodeling,
7 renovation, furnishing, or equipping, or funding, financing, or
8 refinancing of a health facility or acquisition of a health facility
9 to be financed or refinanced with funds provided in whole or in
10 part pursuant to this part. “Project” may include reimbursement
11 for the costs of construction, expansion, remodeling, renovation,
12 furnishing, or equipping, or funding, financing, or refinancing of
13 a health facility or acquisition of a health facility. “Project” may
14 include any combination of one or more of the foregoing
15 undertaken jointly by any participating health institution with one
16 or more other participating health institutions.

17 (g) “Revenue bond” means any bond, warrant, note, lease, or
18 installment sale obligation that is evidenced by a certificate of
19 participation or other evidence of indebtedness issued by the
20 authority.

21 (h) “Working capital” means moneys to be used by, or on behalf
22 of, a participating health institution to pay or prepay maintenance
23 or operation expenses or any other costs that would be treated as
24 an expense item, under generally accepted accounting principles,
25 in connection with the ownership or operation of a health facility,
26 including, but not limited to, reserves for maintenance or operation
27 expenses, interest for not to exceed one year on any loan for
28 working capital made pursuant to this part, and reserves for debt
29 service with respect to, and any costs necessary or incidental to,
30 that financing.

31 SEC. 2. Section 4688.6 is added to the Welfare and Institutions
32 Code, to read:

33 4688.6. (a) Notwithstanding any other provision of law to the
34 contrary, the department may approve a proposal or proposals by
35 regional centers to provide for, secure, and ensure the payment of
36 a lease or leases on housing, developed pursuant to this section,
37 based on the level of occupancy in each home, if all of the
38 following conditions are met:

1 (1) The acquired or developed real property is occupied by
2 individuals eligible for regional center services and is integrated
3 with housing for people without disabilities.

4 (2) The regional center has approved the proposed ownership
5 entity, management entity, and developer or development entity
6 for each project and, prior to granting the approval, has consulted
7 with the department and has provided to the department a proposal
8 that includes the credentials of the proposed entities.

9 (3) The costs associated with the proposal are reasonable.

10 (4) The proposal includes a plan for a transfer at a time certain
11 of the real property's ownership to a nonprofit entity to be approved
12 by the regional center.

13 (b) Prior to approving a regional center proposal pursuant to
14 subdivision (a), the department, in consultation with the California
15 Housing Finance Agency and the Department of Housing and
16 Community Development, shall review all of the following:

17 (1) The terms and conditions of the financing structure for
18 acquisition or development of the real property.

19 (2) Any and all agreements that govern the real property's
20 ownership, occupancy, maintenance, management, and operation,
21 to ensure that the use of the property is maintained for the benefit
22 of persons with developmental disabilities.

23 (c) No sale encumbrance, hypothecation, assignment,
24 refinancing, pledge, conveyance, exchange, or transfer in any other
25 form of the real property, or of any of its interest therein, shall
26 occur without the prior written approval of the department and the
27 Health and Human Services Agency.

28 (d) Notice of the restrictions pursuant to this section shall be
29 recorded against the acquired or developed real property subject
30 to this section.

31 (e) At least 45 days prior to granting approval under subdivision
32 (c), the department shall provide notice to the chairs and vice chairs
33 of the fiscal committees of the Assembly and the Senate, the
34 Secretary of California Health and Human Services, and the
35 Director of Finance.

36 (f) The regional center shall not be eligible to acquire or develop
37 real property for the purpose of residential housing.